
READER'S GUIDE

Introduction

The adopted budget document contains a wealth of information about many aspects of Waukesha County Government. To make this budget book easier to use and read, this **Reader's Guide** and the **Quick Reference Guide** on the next page have been developed. In addition, the following resources are available to the reader for locating information: **Tables of Contents, Listing of Graphs and Tables, Glossary** and **Index**. Finally, the **Transmittal Letter** and the **Budget Message** should assist the reader with understanding many of the key issues within the Waukesha County Budget.

Document Organization

The County's annual budget book is divided into the following sections: Introduction, Summary, Strategic Planning and Budget Policies, Operational (divided into **functional areas**), Capital and Debt Service budgets and a Statistics and Trends Section.

The **Introduction** includes the County Demographics, an Executive's message and/or Transmittal letter.

The **Summary** includes summarizations of the Operating and Capital budgets; Budget Assumptions; Annual County budget major expenditures, revenue and tax levy highlights which affect the budget; summary of Positions Budgeted; Criteria for New Positions; County Organization Chart; Fund Descriptions; Fund Balance Projections; and Functional Area and Appropriation Unit Summaries.

The **Strategic Planning and Budget Policies** section includes the County's Mission Statement/Strategic Directives; County Planning Process; Financial Management Policies; Capital and Operating budget process; Budget Amendment process and Financial Structure of the County.

The **Operating, Capital and Debt Service budgets** are presented within the functional areas, with a summary section included at the beginning of each area. These functional areas include:

Justice and Public Safety	-	Court system, correctional operations, public safety.
Health & Human Services	-	Services to improve quality of life and self-sufficiency.
Parks, Envir, Educ & Land Use	-	Recreational, educational, environmental and land use activities.
Public Works & Airport	-	Road planning, design & maintenance, county-wide fleet maintenance, airport, mass transit, and facilities maintenance.
General Administration	-	County governmental functions and administrative support.
Non-Departmental	-	County-wide items not within direct control of specific departments and End User Operations and Technology Internal service fund.
Capital Projects	-	Major acquisition, construction or infrastructure improvements with long-term financing requirements.
Debt Service	-	Principal and interest payments on long-term general obligation debt.

Each department is introduced by a gold colored page. Other colored pages signify a **fund type**. Fund types are defined in the Glossary of Significant Terms and explained in the fund Structure and Fund Description pages of the Summary section. The color-coding scheme is designed as follows:

- White - General & Special Revenue funds, Statistics and Trend Sections
- Ivory - Special Purpose (Capital, Debt Service & Contingency) funds
- Blue - Internal Service funds
- Peach - Enterprise funds

The departments operational budgets are intended to highlight key policy issues of the department by presenting summarized expenditures, revenues, tax levy, budgeted positions and major programs. In addition, the budget book document explains the purpose, objectives, achievements, performance measures, budget highlights by program and activity data of the departments.

READER'S GUIDE

Department Budget Sections

Department Mission/Summary - This section includes the mission statement, summary of the department's expenditures, revenues and tax levy required, by fund, for prior year actual, current year adopted budget and estimated budget year and ensuing year budget request. This section includes the absolute dollar and percentage change, by appropriation unit, from the current year adopted budget to the ensuing year budget request. Also included is a budgeted position summary of all full time and part-time budgeted positions for a department and use of overtime and extra help stated in full time equivalents (FTEs).

Multi-fund departments will also complete a Mission/Summary page summarizing information for all funds. For each separate fund, a **Fund Purpose** statement will be used in place of the mission statement on the Department Mission/Summary page.

Prioritized Departmental Objectives - This section identifies the rank order of department strategic objectives anticipated to be accomplished in the ensuing budget year. Department objectives are categorized by County's four Strategic Directive as outlined in the County Mission Statement; 1-Manage with Fiscal Prudence, 2-Provide Comprehensive Customer Service, 3-Innovation and Continuous Quality Improvement and 4-Retain and Develop a High Quality Workforce.

Departmental strategic objectives are consistent with the County Strategic Directives, measurable/observable and reference the individual department strategic plans citing critical issue and goal. Objectives also include a timeframe to accomplish and are accountable to a specific division or program.

Strategic Achievements - This section summarizes the major strategic accomplishments of the department during the previous or current budget year.

Current and Proposed Capital Projects - This section provides a listing of open and planned capital projects that impact the department's operation. It includes project number, name, expected completion year, total project cost and estimated percent completed at year-end. The estimated operating impact is also identified with a cross reference to the project summary information.

Budgeted Positions Summary - This section summarizes personnel information (detailed listing of funded position are included in the Statistics and Trend Section). This section also includes changes in the number of positions for the adopted budget to ensuing year request with an explanation of the changes.

Appropriation Unit - One or more expenditure accounts grouped by purpose, including as follows:

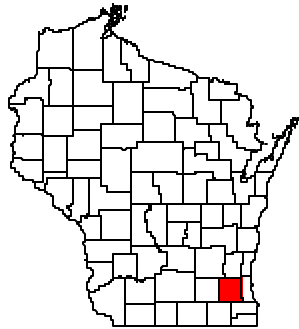
1. **Personnel Costs** - Costs of all salary and non-salary compensation incurred in accordance with County policy. Includes wages, longevity, temporary extra help and overtime compensation paid to county employees. This also includes compensation for sick leave, holiday, vacation and education leaves. Major employee benefits include County pension and social security contributions, health, life and disability insurance.
2. **Operating Expenses** - Costs of all utilities, supplies, travel, and tuition expenses necessary for the operation of a department. Also includes costs of all services purchased from outside vendors.
3. **Interdepartmental Charges** - Costs of all supplies, materials, or services purchased by one county department from another county department (mainly Internal Service funds).
4. **Fixed Assets/Improvements** - Costs of all equipment items (more than \$5,000) used by departments. This category includes capital outlay, small office equipment items, large automotive equipment items, and major grounds and building maintenance projects, but excludes capital projects as defined by County Code.

Programs - In this section, a program is defined as a major activity or expenditure area that a department budgets and accounts for in its operations. This section identifies performance measures, prior year actual, current year adopted budget, current year estimate, ensuing year budget request and the change in budgeted dollars from current to ensuing year by program. Program budget highlights include major expenditure and revenue changes, along with budget year program changes, initiatives and key department budget issues specific to the ensuing budget year, new position and significant position changes are also described.

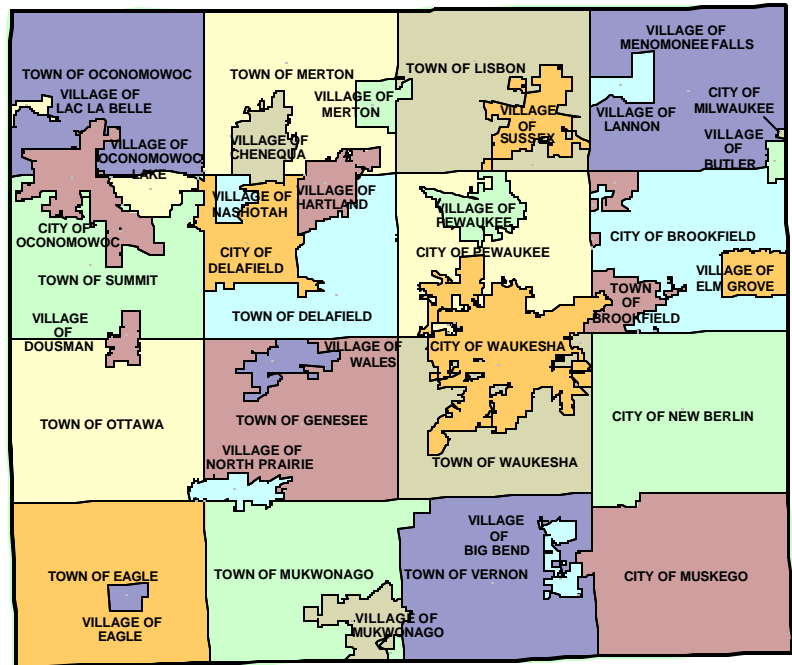
The **Statistics/Trends** section includes general County data such as population and equalized value; five to ten year data trends of expenditures, revenues and debt service; and comparative property tax rates.

WAUKESHA COUNTY, WISCONSIN · DEMOGRAPHICS

Waukesha County is located in southeastern Wisconsin, directly west of Milwaukee County and 100 miles northwest of Chicago. Waukesha County is part of the Milwaukee Standard Metropolitan Statistical Area (SMSA). The County has the second highest equalized property tax base and per capita income and is the third most populous county in the State. The County covers 576 square miles and consists of 8 cities, 18 villages and 12 towns.



County Population	
As of 1/1/2005	377,208
Equalized Property Values	
Including TID	\$45,451,031,200
Excluding TID	\$44,614,092,450



	<u>Waukesha County</u>	<u>State of Wisconsin</u>	<u>United States</u>
2003 Per Capita Income	\$41,551	\$30,685	\$31,500
2002 Per Capita Income	\$40,828	\$29,937	\$30,814

	<u>Waukesha County</u>	<u>State Hwy (In County)</u>	<u>Local</u>
Miles of Roads/Streets	390	245	2,270

See STATS/TRENDS Section for more information on Waukesha County, including data on population, income, employment, equalized value and comparative property tax rates.

BRIEF WAUKESHA COUNTY HISTORY

- In April of 1846 Waukesha County was formed with sixteen townships. Supervisors representing each of the sixteen towns were elected to organize a county board, elect officers and to provide for and build necessary county buildings.
- In 1965, the Wisconsin State Supreme Court ruled that county boards must equitably represent the population, and the Waukesha County Board switched to supervisory districts that represented an equal number of citizens, rather than the units system used previously.
- In April of 1990, a new form of county government was established. The first county executive was elected by the voters of Waukesha County to be responsible for the administrative functions of county government. The county board reorganized to better reflect this new form of governing. The county executive also has the ability to veto actions of the county board, and to appoint members to advisory boards and commissions.

Daniel P. Vrakas
County Executive

Waukesha COUNTY

DEPARTMENT OF COUNTY EXECUTIVE

December 14, 2005

Dear Citizens of Waukesha County,

Thank you for electing me to serve as your new County Executive. As a Waukesha County native, I am truly honored to represent our citizens in this capacity. Enclosed is a copy of the 2006 Adopted Waukesha County Budget. Please take the time to review it so that you can gain a better understanding of your County government's scope of services.

Since taking office on October 31, I have spent numerous hours reviewing the proposed 2006 Executive Budget that was submitted to the County Board of Supervisors for consideration last September. Upon determining what items should be cut from it in order to reduce taxes, I chose to enact four partial vetoes that result in a budget decrease of \$610,000 and a tax rate drop to \$1.96 per \$1,000 in 2006. The tax freeze limit that I helped craft while serving in the State legislature would have allowed Waukesha County a 2.8% levy increase. The reductions I made equated to a 2.2% increase or 20% less than the tax freeze limit.

In addition to the partial vetoes, I provided a budget addendum that urges the County Board of Supervisors to foster legislation via a unified platform with the County Executive's Office to promote a regional University of Wisconsin (UW) Extension Office, as well as to develop a partnership between UW-Waukesha and UW-Milwaukee. I also issued five executive orders that call for greater efficiencies and program expense reductions from the departments that I oversee, which include:

1. Examine potential cost reductions and operating efficiencies that could occur by substituting some or all of the 18 county-owned motor vehicle fuel dispensing sites with private fueling (gas stations) options.
2. Complete a full energy analysis for park buildings to reduce utility usage and costs.
3. Develop a mapping system to determine the most efficient routes for home delivered meals to reduce mileage expenses.
4. Explore data sharing and information technology partnership opportunities and ideas with municipal governments to increase infrastructure cost savings.
5. Establish a methodology for performance-based outcomes for internal and external human service contracted programs.

There are four major areas that are considered budget drivers in 2006. These areas include the Waukesha County Jail addition, revenue freezes or reductions for mandated services, utility and fuel cost increases, and rising healthcare costs. A brief description of the budget impacts for each of these issues are provided below:

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Waukesha County Jail Addition:

The Waukesha County Jail addition will cost County taxpayers a \$1.4 million tax levy increase to operate a full year in 2006. The expansion eliminates inmate overcrowding at peak times by adding 278 beds. It also increases staffing over a 2-year period by 37.5 positions between the Sheriff's Department and the Public Works Department.

Revenue Reductions for Mandated Services:

Mandated services continue to be a significant burden for the County. Next year, we will spend \$35.4 million of our tax levy to cover costs for mandated services, which is 40.3% of the County's tax levy budget of \$87.9 million.

Utility and Fuel Cost Increases:

Like our families and local businesses, the County has also been faced with drastic spikes in utility and fuel costs. In 2006, it is estimated that the County will incur cost increases of 20% for fuel, 12% for natural gas, and 7% for electricity. As you adjust your personal and/or corporate budgets to account for such increases, the County must reallocate its resources to cover rising utility and fuel costs as well.

Rising Healthcare Costs:

The County has actively pursued measures to help control its healthcare costs. Over the next year, the County will realize a 6% increase in this area, which is significantly lower than the 30% and 25% increases realized in 2002 and 2003. While we have achieved cost savings by negotiating higher insurance deductibles and co-pays with our employees' unions, a case management system, and employee wellness programs, the increase of over \$400,000 in 2006 is still a significant budget burden.

County government provides many valuable services that fulfill specific needs for an ever-growing and diverse population base. As we continue to prosper and grow, it is County government's obligation to deliver effective and efficient services at the appropriate level while limiting spending and reducing taxes. As I begin my administration, be assured that I will continue to balance these critical issues so that our residents achieve an exceptionally high quality of life with the lowest county tax rate in the State for counties that have not implemented a sales tax. Of those counties that have implemented a county sales tax, impressively Waukesha County's tax rate ranks 70th out of 72 counties. I am also proud to tell you that Waukesha County is one of less than 50 county government entities in the nation to receive the coveted Aaa/AAA bond rating for its exemplary financial management practices. These ratings continue to lower the County's borrowing costs, and ultimately, its tax rate.

Designing Waukesha County's budget is an incredible undertaking. With respect to this process, I am deeply appreciative of the exceptional effort demonstrated by the County's dedicated team of government professionals. I would also like to thank the County Board of Supervisors for their thorough review of this document and for having the courage to approve the fiscally responsible vetoes that I made for the betterment of the County's business operations, which reduces the tax burden for our residents.

Over the next year, I look forward to implementing measures that control taxes and spending while streamlining business efficiencies to provide better service delivery. I appreciate your support as I introduce initiatives that accomplish these goals.

Sincerely,



Daniel P. Vrakas
County Executive

Daniel P. Vrakas
County Executive

Norman A. Cummings
Director

Waukesha

C O U N T Y

DEPARTMENT OF ADMINISTRATION

December 15, 2005

Board of Supervisors
Waukesha County Courthouse
515 West Moreland Boulevard
Waukesha, Wisconsin 53188

Honorable County Board Members:

Balancing the taxpayer's ability to pay with maintaining quality government services is the key overall goal of County budgeting. By carefully weighing core priorities with prudent budget management policies and practices, the County property tax rate has been reduced for the 16th consecutive year. As proposed, it will drop by \$0.15 to \$1.96 per \$1,000 of equalized value. This is the lowest Waukesha County tax rate in at least 40 years.

The County's Adopted budget addresses several challenges and significant impacts including:

- Jail expansion project operating cost impacts
- Escalating energy costs
- Employee health care and Wisconsin retirement contribution cost increases
- Insufficient state and federal revenues to fully fund increasing mandate costs
- Growing demands from customers in several service sectors

During these challenging times, it is important that the County remains focused on proven budget philosophies and key values to continue providing quality services to its citizens. This budget retains the County's fiscal integrity and serves the best interests of our citizens now and in the long run.

TAX IMPACT ON HOMEOWNERS

Based on an average 2005 home value of \$256,700 (2000 U.S. Census Bureau value of \$182,900 adjusted annually for residential market inflation), the average County residential taxpayer will realize a tax increase of about 1.5% in 2006. Since the best measure of tax performance is over the long term, it is important to know that the County's property taxes have averaged only a 1.4% increase per year for the past ten years, which is below the rate of inflation for this same period.

LIMITING TAXES AND SPENDING

Our growing County continues to pose the challenge of meeting the demand for quality services while limiting spending and tax increases. The 2005 County property tax (General and Federated Library tax), excluding debt service levy, totals \$78,416,482 (for 2006 budget purposes).

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Even though state law would allow us to increase the County's tax levy by 2.8%, we chose to limit taxes to only 2.2%, which represents an increase of \$1,691,516 from the comparable 2004 tax levy. This spending control demonstrates our commitment to maintaining the County's exceptional fiscal health.

Budget expenditure appropriations in 2006 total \$251,215,355. This is a reduction of over \$3.1 million and consists of \$20,684,700 in capital project spending and \$230,530,655 in operating expenditures. The capital expenditure budget is reduced by \$9.0 million and the operating expenditure budget increases by \$5.9 million or only about 2.6%.

The major budget driver in 2006 is \$1.4 million of new tax levy to provide for the first full year operating impacts to operate the 278 bed Jail expansion, which is an unfortunate necessity. This Jail addition impact expands to a full year of budget funding, to include 5 new jail positions being phased-in over the next year (for a total of 33.5 new Jail expansion positions), and Public Works utilities and maintenance costs, which include a full year impact of 4 new positions created in the 2005 budget for the Jail opening in the 4th quarter.

An initiative to control access to and to secure the perimeter of the Courthouse and Administration Center is included at a cost of \$200,000 with start up planned for the 2nd quarter. In addition, energy, employee health care insurance, and pension costs are all estimated to rise faster than the rate of inflation. Natural gas to heat county facilities is assumed to increase 12% for the second year in a row and electricity is projected to rise 7%, resulting in higher budget energy costs in excess of \$150,000. Fuel cost for vehicle operations is assumed to increase by 20% or nearly \$160,000. Employee health insurance costs are estimated to rise by 6% and the Wisconsin retirement pension contribution will require a 5% increase. Taken together, all of these factors have made this year's budget even more challenging than in past years.

A key factor in controlling spending is to control personnel costs, particularly new position growth. This budget does that by adding only 5.0 FTE net new positions related to the Jail addition.

REGIONAL COOPERATION

The County continues to work in collaboration with regional partners to gain efficiencies and provide cost effective services. The following are just a few of those areas:

- Waukesha and Milwaukee Counties' Health and Human Service departments are planning to implement a joint initiative through a State Crisis Intervention Planning Grant. The two agencies will build on organizational strengths and expertise in diverting individuals, both mental health clients and the developmentally disabled, from hospitalization, improving crisis services for kids, and gaining access to respite services as developed by Milwaukee County. Due to the expanded capacity, crisis intervention program funding is budgeted to increase \$100,000.
- The Departments of Emergency Preparedness and Administration - Information Technology Division are working cooperatively with Milwaukee County, Ozaukee County, Racine County and the City of Milwaukee in applying for Federal grants to fund the infrastructure to begin providing the data linkage necessary for future interoperable public safety emergency response communications equipment.
- A Southeastern Wisconsin Regional Planning Commission (SEWRPC) study of future water resources and supply needs is in its 3rd year of a 4-year program, which is cooperatively funded by participating counties and is included in the Parks and Land Use budget.
- The Medical Examiner is planning to expand on efforts to coordinate and implement mutual aid agreements with other interested counties to provide assistance and share resources. The office currently provides autopsy services to Racine County through a contract.

- The County is planning to work together with the City of Milwaukee, the Milwaukee Metropolitan Association of Commerce (MMAC), and the seven southeastern counties to fund a portion of a regional economic development promotional effort.
- The Parks and Land Use budget appropriates \$286,000 of grant funded expenditures associated with the continuation of the 3-year \$812,300 Smart Growth grant accepted through 2005 enrolled ordinance #160-13. The Smart Growth initiative includes participation from Waukesha County, 27 local municipalities, and SEWRPC in a multi-jurisdictional planning effort to update the comprehensive development plan for Waukesha County.

STATE BUDGET

The State budget remains in a structural deficit which in large part explains why State revenues to local government in 2006 for the most part have been frozen and/or continue to decline. Unfunded mandates continue to grow, which now require levy funding for over 40% or \$ 35.4 million of the County's local property tax. The trend is up from under 25% in 1997.

The County's primary Health and Human Services source of intergovernmental revenue, the Basic County Allocation (BCA), is budgeted in 2006 at \$11.4 million. This fund has not increased in the past ten years (since 1996). The lack of an increase in BCA revenue is a major factor behind Health and Human Services budget reductions and increasing tax levy need.

The lack of funding, coupled with the increasing rate charges above inflationary costs for mandated services, are significant drivers that increase the County's Health and Human Services tax levy need by over an additional \$600,000. Consequently, non-mandated human service programs are being reduced in this budget due to fiscal pressures in mandated program areas. These reductions include the following:

- A reduction of \$85,000 in Non-mandated BASIC grants (Basic Assistance and Services for Individuals in Crisis) from \$167,560 to \$82,560. The remaining funding will be prioritized to provide support services to clients discharged from the Mental Health Center.
- Intake division education and outreach contractual services reductions total almost \$45,000. Specific reductions include a \$26,000 reduction to the Mental Health Association's community outreach/education contract, a \$12,700 decrease in Women's Center domestic violence counseling contract, and a \$6,000 reduction in the Association for the Rights of Citizens with Handicaps (ARCh) outreach/education for developmental disability advocacy.
- A vacant clerk typist position will be abolished resulting in a cost savings of \$47,600 with the remaining clerical and professional staff to absorb the related duties.

While the costs to support the courts have dramatically increased, the State Circuit Court Support Grant funding allocation has been frozen since 2000, placing added pressure on property taxes. The County will need to levy \$150,000 of additional property taxes to support these courts next year in spite of efficiencies and budget actions taken. Circuit Court Services has implemented cost savings initiatives and has also reduced funding of a 0.75 FTE clerical staff position in the Court Commissioners program and absorbed those responsibilities to limit its County tax levy support.

INFRASTRUCTURE INVESTMENTS

The County is a leader in the way it plans for the future. One way that it accomplishes this is through its comprehensive 5-year capital plan that addresses basic infrastructure needs while balancing those of the operating budget. According to recent citizen input, "priority one is to properly maintain what we have first, and once we have accomplished that, continue to expand and improve our infrastructure and facilities."

By embracing this approach, the County effectively manages its resources to maintain low taxes. We also recognize that in balancing these needs, the region's economic development is dependent on the County's capital infrastructure spending, which is critical to the continued growth and vitality of our community.

The Capital Projects plan for 2006-2010 continues its emphasis on the County Trunk Highway System (C.T.H.) and Justice and Public Safety projects. C.T.H. projects total over \$65.0 million, and comprise over 67% of the project plan expenditures. Justice and Public Safety capital expenditures are planned at almost \$17.7 million, which is nearly 18% of the project plan. These two areas total \$83.1 million or more than 85% of capital plan expenditures. Parks and Land Use projects are planned at almost \$7.6 million and make up 7.7% of the capital plan. The 5-year Capital Project plan, at \$97.6 million, notably reduces expenditures by 11% from last year's plan.

The 2006 Capital Project budget expenditures total \$20.7 million for the first year of the plan. This is a decrease of \$9.0 million from the 2005 adopted budget, mainly due to the final year funding of the jail addition in the 2005 budget.

PROJECT FUNDING AND DEBT MANAGEMENT

The 2006 Capital projects budget is funded with expected revenues of \$1.2 million. Fund balance appropriations total \$2.9 million and include a \$ 2.0 million loan from the Material Recycling Fund, and \$810,000 of Proprietary fund balances for related capital projects for various Internal Service fund projects.

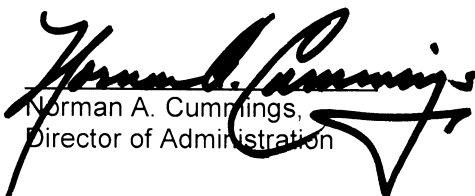
In addition, major project funding includes debt borrowing of \$12.0 million (down from \$14.4 million in 2005), investment income on the borrowed funds of \$525,000, and a tax levy down payment of \$4,083,100. The tax levy amount budgeted for capital projects is reduced by \$754,400 from the 2005 adopted budget amount due to net capital expenditures being lowered by nearly \$3.2 million. After revenues and fund balances are applied, the tax levy will fund 24.6% of the net expenditures, which is well above the 20% required by the County's financial management policies.

The 2006 Debt Service expenditure budget increases \$1,019,663, with tax levy funding for debt issued prior to July 1, 2005, increasing by \$819,663. No new tax levy is proposed for any borrowing after July 1, 2005, to comply with the Legislature's version of the tax levy limit. The Debt Service expenditure to total governmental operating expenditure ratio is expected to decline below 7%, which is significantly lower than the County's performance measure of less than 10%. This budget continues prudent debt management and capital budgeting policies and practices.

ACKNOWLEDGEMENTS

The 2006 budget allows the County to meet its significant challenges that are ahead. We continue to make priority decisions using best practices and strong financial and budget management principles to prepare for the years to come without taking a "just make it through the year" approach. This budgeting philosophy has served the County well and allows us to make necessary investments today that will pay off in future years. With the County Board's continued support in these efforts, Waukesha County will continue to be a leader in limiting tax increases and controlling spending while achieving outstanding results.

Department administrators and staff are sincerely commended for their outstanding efforts in meeting the challenges of this difficult budget.


Norman A. Cummings,
Director of Administration


Keith K. Swartz,
Budget Manager